HOUSE . . . . No. 1489

By Mr. Hynes of Marshfield, petition of Frank M. Hynes for legislation to reduce administrative burdens in the delivery of health care through the use of new technology. Economic Development and Emerging Technologies.

The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

AN ACT TO REDUCE ADMINISTRATIVE BURDENS IN THE DELIVERY OF HEALTH CARE THROUGH THE USE OF NEW TECHNOLOGY.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1   Hospital Patient Safety Technology Trust Fund.
2   (a) To provide for a grant program to promote health care
3 quality and safety through the use of new health information tech-
4 nology, to provide for certain other activities and projects and to
5 meet certain requirements of law, the sums set forth in subsection
6 (b) are hereby appropriated from the General Fund for the several
7 purposes and subject to the conditions specified therein, and sub-
8 ject to the provisions of law regulating the disbursement of public
9 funds; provided, that notwithstanding the provisions of any
10 general or special law to the contrary, the appropriations made in
11 this Section shall expire on June 30, 2006.
12   (b) Division of Health Care Finance and Policy.

xxxx-xxxx	For the Hospital Patient Safety Technology Trust Fund established under section 27 of chapter 118G of the General Laws	$210,000,000

13   (c) Chapter 118G of the General Laws, as appearing in the
14 2002 Official Edition, is hereby amended by adding the following
15 section:
16   Section 27.
17   (a) There shall be established and set up on the books of the
18 commonwealth a separate fund, to be known as the Hospital

19 Patient Safety Technology Trust Fund. Said fund shall consist of
20 all revenues generated from a surcharge assessed on all private
21 health care premiums received by a health care insurer licensed by
22 the Division of Insurance, including but not limited to those
23 licensed under chapters one hundred and seventy-five, one hun-
24 dred and seventy-six A, one hundred and seventy-six B, one hun-
25 dred and seventy-six G, and one hundred and seventy-six I. For
26 the purposes of this section, the term "health care insurer" shall
27 also include an organization that contracts with said insurer as
28 defined above and is authorized to act as the person's subcon-
29 tractor or otherwise administer on behalf of such person, in whole
30 or in part, the services or benefits that are made available to such
31 person's policyholders, whether under such person's insurance
32 policy or insurance contract, or by a separate policy or contract
33 issued by the organization in its capacity as subcontractor or oth-
34 erwise on behalf of such person. The surcharge to be paid shall
35 equal the product of (i) the revenue received surcharge percentage
36 and (ii) the revenue received from health insurance premiums by a
37 surcharge payer. The division shall calculate the surcharge per-
38 centage by dividing $210,000,000 by projected annual aggregate
39 premium payments subject to this surcharge. The division shall
40 establish by regulation a mechanism for enforcing a surcharge
41 payer's liability to said fund in the event the payer does not make
42 a scheduled payment to said fund. The division shall further be
43 authorized to seek additional revenue from public and private
44 sources as appropriations, gifts, grants, donations, and from the
45 federal government as reimbursements, grants-in-aid or other
46 receipts to further the purposes of said fund, and any interest or
47 investment earnings on such revenues. All revenues credited to
48 said fund under this section shall remain in said fund and shall be
49 expended, without further appropriation.
50 (b) Said fund shall be expended only for the purpose of pur-
51 chasing and installing computerized physician order entry systems
52 in eligible hospitals contracted with the Massachusetts
53 MassHealth office for the purposes of improving patient safety
54 and hospital efficiency. Disbursement of funds shall be achieved
55 through a separate MassHealth Request for Application issued to
56 hospitals participating in the MassHealth program. Said Request
57 for Application shall provide a process by which hospitals will

58 receive payments to purchase and install computerized physician
59 order entry systems in a manner consistent with the proposed
60 funding and reimbursement model contained in the Massachusetts
61 Technology Collaborative report entitled "Treatment Plan: High
62 Tech Transfusion, a Case Statement for Implementation of com-
63 puter physician order entry systems in all Massachusetts Inpatient
64 Hospitals." The MassHealth Office shall take any appropriate
65 action to obtain the maximum amount of federal financial partici-
66 pation available for amounts paid to hospitals pursuant to this
67 section. All federal reimbursements received by the common-
68 wealth for expenditures made from the fund shall be deposited
69 into this fund.
70 (c) The Massachusetts Health and Educational Facilities
71 Authority is hereby directed and authorized to develop statewide
72 financing programs for hospital patient safety technology acquisi-
73 tion, use of any funding so generated shall be contingent on hos-
74 pital capital investment and purchase of systems meeting the
75 criteria provided for under the Massachusetts Technology Collab-
76 orative report entitled "Treatment Plan: High Tech Transfusion, a
77 Case Statement for Implementation of computer physician order
78 entry systems in all Massachusetts Inpatient Hospitals."
79 (d) The Division is hereby authorized to convene an advisory
80 committee of interested stakeholders, including but not limited to
81 the Massachusetts Hospital Association, the Massachusetts Tech-
82 nology Collaborative, the New England Healthcare Institute, and
83 other interested parties so determined by the division. Said com-
84 mittee shall study and develop recommendations to study and
85 develop recommendations to reduce the administrative burden
86 placed on health care providers through use of new technology
87 that enhances the efficient and economical delivery of patient
88 care.